



## OFFICE OF THE GOVERNOR

### NEWS RELEASE

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## Governor Lauds Mayors for Controlled Property Tax Rates, Smart Fiscal Management

Gov. Whitman today congratulated area mayors in northern and southern New Jersey for practicing smart fiscal management and controlling local property taxes during forums held in Mt. Laurel and Carlstadt.

"Through efficient management and the enactment of several key state policies, the mayors joining me here today have proven that local spending can be reigned in and that property taxes can be controlled," said Gov. Whitman. "Because of their strong efforts, property tax levies in many areas have been held steady or reduced. They are a model for the state."

"During my administration, property tax increases have been held to the lowest annual level in 20 years," said Gov. Whitman. "Those rates have been controlled thanks to smart management on the part of local officials and nearly \$30 billion in property tax relief that the state has provided to municipalities."

Gov. Whitman met with mayors from Essex, Union, Bergen, Burlington, Camden, Ocean, Cape May, Salem and Mercer counties who have either reduced or held the line on their municipal property tax rates from 1993 through 1996. The Governor met with mayors from southern New Jersey in the morning during a forum in Mt. Laurel and met with northern New Jersey mayors in the afternoon in Carlstadt. A list of mayors who participated in the forums is attached, along with information on their municipal property tax rates.

The Governor and mayors discussed ways in which the state can better assist them in managing their budgets and keeping property taxes down. The Governor discussed with the mayors the success of the state's Local Budget Review Teams, which have helped local governments identify more than \$100 million in savings, and encouraged the mayors to apply for a team review.

The Governor presented each of the participating mayors with a proclamation recognizing their efforts in smart fiscal management of local finances. A copy of the proclamation is attached.

Throughout her administration, Gov. Whitman has remained committed to lowering the overall tax burden on New Jersey citizens. She has cut taxes 14 times, including a 30 percent reduction in the personal income tax for most New Jerseyans. The administration has also enacted a number of business tax cuts to spur economic growth and job creation. During Gov. Whitman's term, these policies have helped create more than 194,000 net new jobs.

Gov. Whitman has provided municipalities with a stable level of state aid, added budget savings and a variety of tools and programs to help local officials control property taxes paid by local residents. Over the past four years, as a result of these efforts, combined with smart fiscal management by local officials, New Jersey municipalities experienced the smallest annual increase in property tax levies in 20 years.

**The Whitman Administration**  
**Budget Savings and Tools Provided to Municipalities to Help Them**  
**Keep Property Taxes Under Control:**

- Signed legislation that reforms the binding arbitration process, providing local government with the tools to control spiraling employment contract costs.
- Signed legislation implementing a state mandate/state pay amendment to the constitution to put an end to the imposition of unfunded mandates on municipalities.
- Streamlined municipal aid programs -- held direct aid unchanged at \$1.5 billion, and held municipal aid steady overall.
- Absorbed the cost of the county court takeover, saving municipalities in excess of \$250 million in property taxes.
- Enacted a property tax deduction for state income taxes -- generating \$100 million in direct property tax relief to New Jersey citizens this year alone.
- Improved management of the State Health Benefit Plan resulting in \$97.2 million in savings for municipalities -- which could be directly applied to property tax relief.
- Provided Local Government Budget Review teams through the Department of Treasury to help local officials identify potential cost savings and efficiencies on the local level. The program has performed more than 36 local budget reviews for school districts and municipalities, identifying nearly \$100 million in savings and efficiencies.
- Provided municipalities with the "Local Official's and Taxpayer's Guide to Performance Reviews," a manual which provides the framework for public officials and taxpayers to begin internal examinations of their communities to reduce the reliance on property taxes.
- Advocated the sharing of services between municipalities wherever possible to improve efficiency while maintaining the same high level of service.
- Supported legislation allowing municipalities the flexibility to manage infrastructure costs through innovative public/private partnerships.
- Increased direct aid to school districts by \$398 million -- helping municipalities control costs.
- Enacted legislation to provide \$3.7 billion in aid to municipalities -- direct property tax relief -- over the next five years by restructuring utility taxes.

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